

## Exhibit 300: Capital Asset Summary

### Part I: Summary Information And Justification (All Capital Assets)

#### Section A: Overview & Summary Information

**Date Investment First Submitted:** 2009-06-30  
**Date of Last Change to Activities:** 2012-06-21  
**Investment Auto Submission Date:** 2012-02-27  
**Date of Last Investment Detail Update:** 2011-09-16  
**Date of Last Exhibit 300A Update:** 2012-02-27  
**Date of Last Revision:** 2012-06-21

**Agency:** 029 - Department of Veterans Affairs      **Bureau:** 00 - Agency-Wide Activity

**Investment Part Code:** 01

**Investment Category:** 00 - Agency Investments

**1. Name of this Investment:** Benefits 21st Century Paperless Delivery of Veterans Benefits

**2. Unique Investment Identifier (Ull):** 029-666666265

#### Section B: Investment Detail

- 1. Provide a brief summary of the investment, including a brief description of the related benefit to the mission delivery and management support areas, and the primary beneficiary(ies) of the investment. Include an explanation of any dependencies between this investment and other investments.**

The Paperless Initiative will deliver 21st Century Claims Processing for the Veteran Benefits Administration (VBA) with an initial focus on the Compensation and Pension (C&P) business line as an integrated investment. C&P, the largest VBA business line, depends on paper-based claims processing, with a substantive inventory and increasing backlog. The primary software component in the Paperless Initiative is the Veterans Benefits Management System (VBMS). VBMS is a paperless claims processing system that replaces legacy claims processing software, implements improved standard business practices for a paperless claims work flow, provides enterprise data services for external and internal communications, and is enabled by an enterprise, Service Oriented Architecture (SOA) framework. The VBMS SOA-based technology platform provides VBA an enterprise set of capabilities for Enterprise Portal, Data Integration, Imaging, Forms Service, Rules Based Processing, Correspondence, Messaging, Workflow Services, and Content Management. As an integrated investment, delivering the VBMS system will provide C&P the ability to increase handling and processing of over a million claims submitted a year and reduce inventory backlog, while continuing \$3.7 billion in claims paid each month. VBMS will facilitate business line integration for automated, rules based claims processing with Education, Vocational Rehabilitation and Employment, Insurance, and Loan Guaranty, recognizing that some are highly automated through the VBMS SOA-based framework. This standardization of capabilities will reduce long term costs

and align VBA enterprise requirements, which will align with the Office of Management and Budget requirements for integrating program acquisitions. This Major Initiative will help to improve Veterans' experience with VA by allowing them to interact using multiple communication channels through the Veterans Relationship Management effort, reducing the need to submit paper documents and providing a secure, accessible means to obtain benefits. This capability, combined with the Virtual Lifetime Electronic Record, will in turn help claims decisions to be made more quickly, decreasing the time to provide Veterans their benefits. Program success in FY12 will be determined through metrics such as national system deployment and user acceptance. VBMS has an interdependency with the VETSNET Legacy system. Upon completion of VBMS the VETSNET interim solution will be retired.

**2. How does this investment close in part or in whole any identified performance gap in support of the mission delivery and management support areas? Include an assessment of the program impact if this investment isn't fully funded.**

The Department of Veterans Affairs (VA) provides C&P benefits to nearly 4 million Veterans and beneficiaries. In 2009, VA received more than 1,000,000 claims for disability benefits and processed more than 975,000 of these claims. VA must seize the opportunity to significantly improve our benefits delivery systems. The volume of C&P rating-related claims has been steadily increasing. In 2009, for the first time, VA received over one million claims in a single year. The volume of claims received has increased from 578,773 in 2000 to 1,013,712 in 2009 (a 75% increase). Original disability compensation claims with eight or more claimed issues have increased from 21,184 in 2000 to 67,175 in 2009 (over a 200% increase). It is expected that this level of growth in the number and complexity of claims will continue. The increasing volume and complexity of claims and increasing benefit coverage has driven a processing backlog that must be eliminated. At the outset of FY 2010, the nationwide average number of days to complete rating-related claims was 161. To get and stay ahead of future system demand, VA needs to redouble efforts to ensure best-in-class execution of benefits delivery. VA must make a transformational change to provide Veterans the benefits to which they are legally entitled. The business transformation strategy is designed to leverage past successes and lessons learned to develop a business model that is less reliant on paper documents, providing flexibility across the organization to ensure that timely, high quality services are provided to Veterans and their families. VA will develop a 21st century benefits management capability, based on transparency, operating excellence, and innovations in technology. Department Performance measure: Reduction in average disability claims processing time to 125 days (claims backlog). Baseline as of the beginning of February 2010: 161; Strategic Target: 125 by 2015. If this initiative is not supported, then efforts to break the backlog of Veterans' Claims administration and VA will be unable to reduce the number of days to complete a benefit rating to 125 days. Paperless is designed to improve efficiency and expediency in claims processing and the payment of VA benefits, and that if this investment is not fully funded, Veterans will have to rely on an outdated claims processing and payment system, and payments to disabled and other eligible Veterans may be delayed.

**3. Provide a list of this investment's accomplishments in the prior year (PY), including projects or useful components/project segments completed, new functionality added, or operational efficiency achieved.**

In fiscal year 2011, VBMS deployed the first production ready software for Phase1 to one Regional Office. Using agile development methodology, the Office of Information and

Technology (OI&T) delivered to the Veterans' Benefits Administration (VBA) software that would update and provide additional functionality to the claims process. Phase 1 was completed and phase 2 was initiated in fiscal year 2011 and will continue in fiscal year 2012. Phase 1 delivered a prototype to prove the concept of smart scanning, an electronic folder of images to replace the paper folder and web services application to establish a claim in the system. In Phase 2, the application will be changed from a prototype to a full functioning application with the necessary supporting infrastructure to nationally roll out a paperless system with a web services application to establish claims.

**4. Provide a list of planned accomplishments for current year (CY) and budget year (BY).**

National deployment of the paperless Veterans Benefits Management System (VBMS) in fiscal year 2012 will integrate new and improved business processes through a software solution that is Web based and has the functionality to establish a claim and the paperless folder in VBMS. In 2013, functionality will be added to complete Development along with a refactor of the Rating component delivered in 2012 to improve the infrastructure allowing the user better performance. This will include any remaining features that are still in the current, or legacy, SHARE application. National Deployment will take place in phases throughout calendar year 2012 and 2013 to validate the VBMS software technology and improved business processes.

**5. Provide the date of the Charter establishing the required Integrated Program Team (IPT) for this investment. An IPT must always include, but is not limited to: a qualified fully-dedicated IT program manager, a contract specialist, an information technology specialist, a security specialist and a business process owner before OMB will approve this program investment budget. IT Program Manager, Business Process Owner and Contract Specialist must be Government Employees.**

2009-06-10

## Section C: Summary of Funding (Budget Authority for Capital Assets)

1.

Table I.C.1 Summary of Funding

	PY-1 & Prior	PY 2011	CY 2012	BY 2013
Planning Costs:	\$9.4	\$0.0	\$0.0	\$0.0
DME (Excluding Planning) Costs:	\$82.2	\$132.7	\$88.9	\$20.7
DME (Including Planning) Govt. FTEs:	\$4.1	\$4.9	\$3.9	\$1.4
Sub-Total DME (Including Govt. FTE):	\$95.7	\$137.6	\$92.8	\$22.1
O & M Costs:	\$7.4	\$7.1	\$45.3	\$77.1
O & M Govt. FTEs:	\$0.4	\$0.3	\$2.3	\$5.1
Sub-Total O & M Costs (Including Govt. FTE):	\$7.8	\$7.4	\$47.6	\$82.2
Total Cost (Including Govt. FTE):	\$103.5	\$145.0	\$140.4	\$104.3
Total Govt. FTE costs:	\$4.5	\$5.2	\$6.2	\$6.5
# of FTE rep by costs:	35	40	55	55
Total change from prior year final President's Budget (\$)		\$-8.6	\$5.6	
Total change from prior year final President's Budget (%)		-5.57%	4.17%	

**2. If the funding levels have changed from the FY 2012 President's Budget request for PY or CY, briefly explain those changes:**

In FY11 the Paperless Initiative provided development funding support of VETSNET to ensure that development of the Legacy system would continue and not impact the interdependency of the two investments. As production support needs in FY12 increase for enhancements, funding to support the associated sustainment effort is increased accordingly. Sustainment enhancements include an increase in environments for VBMS demonstrations, training efforts, testing environments, and production environments.

## Section D: Acquisition/Contract Strategy (All Capital Assets)

Table I.D.1 Contracts and Acquisition Strategy

Contract Type	EVM Required	Contracting Agency ID	Procurement Instrument Identifier (PIID)	Indefinite Delivery Vehicle (IDV) Reference ID	IDV Agency ID	Solicitation ID	Ultimate Contract Value (\$M)	Type	PBSA ?	Effective Date	Actual or Expected End Date
Awarded	3600	<a href="#">VA11811F0010</a>	GS35F0284V	4730							
Awarded	3600	<a href="#">VA11810F0200</a>	NNG07DA23B	8000							
Awarded	3600	<a href="#">VA11811F0008</a>	GS10F0336S	4730							
Awarded	3600	<a href="#">VA11810F0135</a>	GS35F0783M	4730							
Awarded	3600	<a href="#">VA11810F0221</a>	NNG07DA47B	8000							
Awarded	3600	<a href="#">VA11810F0223</a>	NNG07DA47B	8000							
Awarded	3600	<a href="#">VA11810F0222</a>	NNG07DA47B	8000							
Awarded	3600	<a href="#">VA11811F0009</a>	GS06F0542Z	4730							
Awarded	3600	<a href="#">VA11811F0009</a>	GS06F0542Z	4730							
Awarded	3600	<a href="#">VA11810F0010</a>	GS06F0514Z	4730							
Awarded	3600	<a href="#">VA11810F0004</a>	GS06F0529Z	4730							
Awarded	3600	VA11810F0087	GS35F0783M	4730							
Awarded	3600	<a href="#">VA11810F0076</a>	GS06F0532Z	4730							
Awarded	3600	<a href="#">VA11811F0010</a>	GS35F0284V	4730							

2. If earned value is not required or will not be a contract requirement for any of the contracts or task orders above, explain why:

All related development tasks incorporate EVM as part of the project management structure. A portion of budgeting for this investment goes toward payment of an interagency franchise fee for infrastructure support. Infrastructure support is managed under an external managed services contract, which does monitor cost and schedule performance in conformance with ANSI 748 guidelines. This investment does not require EVM tracking for firm fixed price task orders.

## Exhibit 300B: Performance Measurement Report

### Section A: General Information

**Date of Last Change to Activities:** 2012-06-21

### Section B: Project Execution Data

**Table II.B.1 Projects**

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
1104200603	VBMS Phase 2	In FY11, using agile development methodology, the Veterans Benefits Management System (VBMS) created a software product that would improve efficiency in the Veterans claims management process. Phase 1 delivered a prototype to prove the concept of smart scanning, an electronic folder of images to replace the paper folder and web services application to establish a claim in the system. In Phase 2, the application will be changed from a prototype to an enterprise-capable application with the necessary supporting infrastructure to provide the foundational components for a nationally deployed paperless solution. VBMS is a business transformation initiative designed to reduce the processing time of a Veteran claim to 125 days. VBMS will increase efficiency, improve quality, reduce the backlog of pending claims, and			



Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
		ensure the timely and accurate delivery of disability benefits paid each month to Veterans and their beneficiaries.			
1109120896	VBMS Phase 4	<p>Phase 4 in FY12 will be the deployment of the Veterans Benefits Management System (VBMS) software solution on a national scale. National deployment will integrate new and improved business processes through a software solution that is Web based and has the functionality to establish a claim and the paperless folder in VBMS. National Deployment will take place in phases throughout calendar year 2012 and 2013 to support and fulfill goal of an improved business process.</p> <p>VBMS is a business transformation initiative designed to reduce the processing time of a Veteran claim to 125 days from the current level of 161 days. VBMS will increase efficiency, improve quality, reduce the backlog of pending claims, and ensure the timely and accurate delivery of disability benefits paid each month to Veterans and their beneficiaries.</p>			
1109120898	VBMS Phase 3	<p>VBMS Phase 3 will integrate new and improved business processes with the paperless claims software solution that was developed, refined and validated during the pilot of the VBMS Virtual Regional Office (VRO) and the two previous phases. Phase 3 will be deployed in 2012 and will be used to validate the VBMS technology with increased volume</p>			

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
		of users and claims and improved business processes to a larger scale of end users throughout the Veterans Benefits Administration (VBA) Regional Offices. This effort will increase the efficiency of claims processing and ensure timely and accurate deliver of disability benefits paid each month to Veterans and their beneficiaries. The development for this effort is to be completed through an interagency agreement and funding is awarded during planning for the duration of the effort.			
1201090815	Centralized Administrative Accounting Transaction System	The Centralized Administrative Accounting Transactions System (CAATS) is a web-based, data-centric application which is based around the ability to create, submit and track multiple types of accounting transactions through a workflow process. This system will enable the VA to fully replace the manual process currently being used.			
1202010754	Virtual VA Development for CAPRI	In support of the Veterans Benefits Management Assistance Program (VBMAP) and C&P Record Interchange (CAPRI), this procurement request will acquire developer support services, hardware and software. The procurement is to fund modifications to existing IT systems (hardware/software) that align with VBAs vision to introduce enhanced technologies that facilitate end-to-end claims processing in a paperless environment.			

Table II.B.1 Projects

Project ID	Project Name	Project Description	Project Start Date	Project Completion Date	Project Lifecycle Cost (\$M)
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Activity Summary

Roll-up of Information Provided in Lowest Level Child Activities

Project ID	Name	Total Cost of Project Activities (\$M)	End Point Schedule Variance (in days)	End Point Schedule Variance (%)	Cost Variance (\$M )	Cost Variance (%)	Total Planned Cost (\$M)	Count of Activities
1104200603	VBMS Phase 2							
1109120896	VBMS Phase 4							
1109120898	VBMS Phase 3							
1201090815	Centralized Administrative Accounting Transaction System							
1202010754	Virtual VA Development for CAPRI							

Key Deliverables

Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
1109120898	PMAS – VBMS Core Planning State Completed	Completion of planning and request for PMAS approval to move to active state. Planning included award of interagency agreement for development services in the amount of \$36M.	2011-12-22	2011-12-22		203	-253	-124.63%
1202010754	Planning State Finish	?In support of the Veterans Benefits Management Assistance Program (VBMAP) and C&P Record Interchange	2012-01-16	2012-01-16	2012-01-16	82	0	0.00%

Key Deliverables								
Project Name	Activity Name	Description	Planned Completion Date	Projected Completion Date	Actual Completion Date	Duration (in days)	Schedule Variance (in days )	Schedule Variance (%)
		(CAPRI), this procurement request will acquire developer support services, hardware and software.						
1201090815	Planning State Completed	Streamline and reduce the manual input required by VBA Regional Offices	2012-05-13	2012-05-13		44	-110	-250.00%
1109120896	Planning State Completed (Milestone 1)	Planning completed and request for PMAS approval to move project to active status.	2012-05-31	2012-04-26	2012-04-26	86	35	40.70%

## Section C: Operational Data

Table II.C.1 Performance Metrics

Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency
Total number of users working with VBMS	Unique Users added per month	Technology - Reliability and Availability	Over target	100.000000	20.000000	60.000000	50.000000	Monthly
Number of Service Oriented Architecture services available to other business lines or initiatives such as VRM and GI Bill.	Number of SOA services	Technology - Information and Data	Over target	0.000000	10.000000	0.000000	10.000000	Semi-Annual
The number of regional offices (RO) using VBMS is an important metric for success. The number of ROs demonstrates scalability of the new system and accomplishment of iterative software development and deployment.	number	Customer Results - Timeliness and Responsiveness	Over target	2.000000	2.000000	2.000000	3.000000	Semi-Annual
Percentage of eligible claims processed using VMBS relative to the stations' total inventory of eligible claims.	percentage	Mission and Business Results - Support Delivery of Services	Under target	0.000000	80.000000	80.000000	85.000000	Semi-Annual
Percentage of planned work for a 3 week sprint cycle is completed on schedule within the	percentage	Process and Activities - Cycle Time and Timeliness	Under target	50.000000	80.000000	75.000000	85.000000	Semi-Annual

Table II.C.1 Performance Metrics								
Metric Description	Unit of Measure	FEA Performance Measurement Category Mapping	Measurement Condition	Baseline	Target for PY	Actual for PY	Target for CY	Reporting Frequency

sprint cycle.